



DEPARTMENT OF CONSERVATION  
STATE OF CALIFORNIA

June 15, 2004

**NOTICE**

**TO: All Interested Parties**

**SUBJECT: Mid-Year Processing Payment Adjustments and Supplemental Processing Payments**

DIVISION OF  
RECYCLING

■ ■ ■

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■ ■ ■

ARNOLD  
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GOVERNOR

The passage of AB 28 (Chapter 753, Statutes 2003) added new provisions to the California Beverage Container Recycling and Litter Reduction Act relating to the adjustment of processing payments and supplemental processing payments. Public Resources Code (PRC) §14575(g) gives the Department of Conservation, Division of Recycling (Division) the discretion to adjust the processing payment not more than every three months. PRC §14575.5(a) requires the Division to establish a supplemental processing payment for glass, #1 PET, and #2 HDPE.

This Notice announces adjusted 2004 processing payments including the addition of the Supplemental Processing Payments.

**PROCESSING PAYMENT ADJUSTMENTS:** PRC §14575(g) gives the Division the discretion to adjust the processing payment not more than every three months if the Division has determined that the average scrap value for a specific beverage container material type for the most recent available 12-month period directly preceding the quarter the processing payment is calculated is five (5) percent more or less than the statewide average scrap value used as the basis for the processing payment currently in effect; and that adjusting the processing payment is necessary to further the objectives of the beverage container recycling program.

As the change in scrap values as described for glass, #1 PET and #2 HDPE is greater than five percent the Division has decided to adjust the processing payments. Processing payments for bimetal and plastics #3 - #7 are not being adjusted as the scrap values for these container material types are highly volatile and based on small volumes. The changes in scrap values and adjusted processing payments for glass, #1 PET and #2 HDPE effective July 1, 2004 are shown on the table on the next page.

| <b>Change in Scrap Value Per Ton and Adjusted Processing Payments</b> |         |          |          |
|---|---------|----------|----------|
| Material Types  | Glass   | PET #1   | HDPE #2  |
| Scrap Value Per Ton (Basis of Current Processing Payments)            | \$7.33  | \$161.46 | \$151.78 |
| Scrap Value Per Ton (April 03 - March 04)                             | \$5.87  | \$219.66 | \$179.97 |
| Percent Change  | -19.92% | 36.05%   | 18.57%   |
| Current Processing Payment Per Ton (Effective 1/1/04)                 | \$74.52 | \$330.41 | \$510.62 |
| Adjusted Processing Payment Per Ton (Effective 7/1/04)                | \$75.98 | \$272.21 | \$482.43 |

**SUPPLEMENTAL PROCESSING PAYMENTS:** PRC §14575.5(a) requires the Division to establish a supplemental processing payment for glass, #1 PET and #2 HDPE, to be paid to a processor, who shall pay the entire supplemental processing payment to a certified recycling center, dropoff or collection program, or community service program that receives processing payments pursuant to PRC § 14575. The supplemental processing payment for each of the three container material types are set in statute at glass \$40.86; #1 PET \$182.54; and #2 HDPE \$228.75 to be effective for the 12-month period July 1, 2004 – June 30, 2005. The supplemental processing payment for each container material type is in addition to the regular processing payment. The statute does not provide a supplemental processing payment for bimetal and plastics #3 - #7.

The Division has determined that the supplemental processing payments will be calculated with the newly adjusted processing payments and paid together. The table below reflects the Total Processing Payment – the sum of the adjusted processing payment and the supplemental processing payment in tons and pounds. The total processing payments for glass, #1 PET and #2 HDPE effective July 1, 2004 are as follows:

| <b>Total Processing Payments</b>         |                  |                  |                  |
|--|------------------|------------------|------------------|
| Material Types                           | GLASS            | PET              | HDPE             |
| Adjusted Processing Payment (tons)       | \$75.98          | \$272.21         | \$482.43         |
| Supplemental Processing Payment (tons)   | \$40.86          | \$182.54         | \$228.75         |
| Total Processing Payment (tons)          | \$116.84         | \$454.75         | \$711.18         |
| <b>Total Processing Payment (pounds)</b> | <b>\$0.05842</b> | <b>\$0.22738</b> | <b>\$0.35559</b> |

**INSTRUCTIONS FOR COMPLETING A SHIPPING REPORT:** To complete a shipping report (DR-6) beginning July 1, 2004 multiply the redemption weight by the Total Processing Payment (pounds), as indicated in the previous table, for the applicable container material type. The result should be recorded in the appropriate processing payment box on the DR-6.

For your reference, we have attached two examples of DR-6 forms using these calculations.

As always, materials must be sold directly to a state-certified processor to receive program payments.

*Note to certified recycling centers:* If a receipt and log period overlaps the July 1, 2004 effective date of the adjusted and supplemental processing payments, one DR-6 should be filled out for the period through June 30, 2004 and another DR-6 filled out for the period beginning July 1, 2004. Failure to separate the reports may delay your payment and the Department of Conservation will only reimburse payment at the lower processing payment for the entire reporting period.

*Note to other certified entities (CS, CP, SP):* Because supplemental processing payments will end June 30, 2005 you will need to make sure that glass, #1 PET and #2 HDPE collected between July 1, 2004 and June 30, 2005 are received by the processor on or before June 30, 2005. Materials collected during the eligible time period but received by a processor after June 30, 2005 will not be eligible for the supplemental processing payment.

If you have any questions relating to completion of the DR- 6, please contact the Recycler Training and Review Section at (916) 323-3008. For questions relating to the supplemental processing payments and/or scrap values used to calculate the processing payment adjustment contact Chuck Seidler at (916) 323-5778.

Jim Ferguson  
Assistant Director  
for Recycling

| Table I   |           |           |           |            |            |            |            |           |           |         |
|---|-----------|-----------|-----------|------------|------------|------------|------------|-----------|-----------|---------|
| Mid Year Processing Payment Adjustments and Supplemental Processing Payments                  |           |           |           |            |            |            |            |           |           |         |
| Effective July 1, 2004  |           |           |           |            |            |            |            |           |           |         |
|   | Glass     | Plastic   |           |            |            |            |            |           | Other     | Bimetal |
|   |           | PET       | HDPE      | Vinyl      | LDPE       | PP         | PS         |           |           |         |
| Cost of Recycling per Ton with Reasonable Financial Return                                    | \$81.85   | \$491.87  | \$662.40  | \$1,091.69 | \$3,409.76 | \$1,516.52 | \$6,293.96 | \$778.70  | \$521.15  |         |
| Scrap Value per Ton (Basis for Current Processing Payment)                                    | \$7.33    | \$161.46  | \$151.78  | \$12.64    | \$14.00    | \$0.00     | \$0.54     | \$7.87    | \$1.45    |         |
| Scrap Value per Ton (April 03 Through March 04, Adjusted for Glass, #1 PET, and #2 HDPE Only) | \$5.87    | \$219.66  | \$179.97  | \$12.64    | \$14.00    | \$0.00     | \$0.54     | \$7.87    | \$1.45    |         |
| Percent Change  | -19.92%   | 36.05%    | 18.57%    |            |            |            |            |           |           |         |
| Processing Payments to Recyclers  |           |           |           |            |            |            |            |           |           |         |
| Adjusted Processing Payment Per Ton Redeemed  | \$75.98   | \$272.21  | \$482.43  | \$1,079.05 | \$3,395.76 | \$1,516.52 | \$6,293.42 | \$770.83  | \$519.70  |         |
| Supplemental Processing Payment Per Ton Redeemed  | \$40.86   | \$182.54  | \$228.15  | \$0.00     | \$0.00     | \$0.00     | \$0.00     | \$0.00    | \$0.00    |         |
| Total Processing Payment Per Ton Redeemed   | \$116.84  | \$454.75  | \$710.58  | \$1,079.05 | \$3,395.76 | \$1,516.52 | \$6,293.42 | \$770.83  | \$519.70  |         |
| Total Processing Payment Per Pound Redeemed (To be used on DR6)                               | \$0.05842 | \$0.22738 | \$0.35529 | \$0.53953  | \$1.69788  | \$0.75826  | \$3.14671  | \$0.38542 | \$0.25985 |         |
| Containers Per Pound  | 1.87      | 11.9      | 4.9       | 9.8        | 35.0       | 6.6        | 69.8       | 11.6      | 7.7       |         |
| Total Processing Payment Per Container  | \$0.03124 | \$0.01911 | \$0.07251 | \$0.05505  | \$0.04851  | \$0.11489  | \$0.04508  | \$0.03323 | \$0.03375 |         |

FOR STATE USE ONLY  
PROCESSOR CCN



FOR STATE USE ONLY  
SHIPPER CCN



PRINTED ON RECYCLED PAPER

## SHIPPING REPORT

STATE OF CALIFORNIA - The Resources Agency  
DEPARTMENT OF CONSERVATION  
Division of Recycling  
DR-6 (1/02)

FOR STATE USE ONLY  
ATTACHED TO CCN

### COMPLETED BY SHIPPER:

COMPANY NAME **ABC Recyclers**  
ADDRESS **500 Orange Ave**  
**Sacramento, CA 95814**  
CERT. # **RC 0001**  
CONTACT PERSON **Joe Smith**  
TELEPHONE NUMBER **(916)799-0001**

### RECEIVER INFORMATION

COMPANY NAME **International Processor**  
CERT. # **PR 0002**

MATERIAL TYPE **Glass**  
☐ AMENDMENT TO FSN

### RECYCLER PAYMENT REQUEST INFORMATION

|  | REDEMPTION WEIGHT<br>(LBS) | REFUND<br>(A) | PROCESSING PAYMENT<br>(B) | SUBTOTAL DUE<br>A+B |
|--|----------------------------|---------------|---------------------------|---------------------|
| FROM Receipts & Logs                             | 10,000.0                   | 820.00        | 584.20                    | 1,404.20            |
| FROM Shipping Reports or<br>Consolidated Reports | .                          | .             | .                         | .                   |
| TOTAL  | 10,000.0                   | 820.00        | 584.20                    | 1,404.20            |

Receipt & Log Entries For

07 01 04

Thru

07 10 04

Number of Attachments  
or Consolidated Shipments

### COMPLETED BY RECEIVER

| Weight Ticket #    | Received Wt. (Lbs.) | Refund Value (C) | Processing Pymt. (D) | Subtotal Due (C+D) |
|--------------------|---------------------|------------------|----------------------|--------------------|
| XXX1               | 9,950               | 820.00           | 584.20               | 1,404.20           |
| ADMINISTRATIVE FEE |                     |                  |                      | 6.15               |
| TOTAL PAYMENT DUE  |                     |                  |                      | 1,410.35           |

Received Date: 07 11 04 Completed by receiver only: % of Reduction Taken

### For Quality Glass Incentive Payment Program

(Curbside Collection Only)

For glass color sorted by the shipper indicate in the adjacent QGIP box "S".  
For glass color sorted by the receiver indicate in the adjacent QGIP box "R".

QGIP

% OF SHRINKAGE

Civil penalties of up to five thousand dollars (\$5,000.00) per day may be assessed for violation of the laws and regulations governing this report. In addition, the submission of false information with intent to defraud is a crime punishable by substantial fines, up to three years imprisonment, or both. Knowing this, I certify under penalty of perjury that the facts presented herein are true and correct to the best of my knowledge.

APPROVED FOR PAYMENT Shipper's Signature/Title

Receiver's Signature/Title

FOR STATE ONLY

Date

Date

For more information, visit our website at: [www.consrv.ca.gov](http://www.consrv.ca.gov)

RETURN TO: DEPARTMENT OF CONSERVATION

FOR STATE USE ONLY  
PROCESSOR CCN



FOR STATE USE ONLY  
SHIPPER CCN



PRINTED ON RECYCLED PAPER

## SHIPPING REPORT

STATE OF CALIFORNIA - The Resources Agency  
DEPARTMENT OF CONSERVATION  
Division of Recycling  
DR-6 (1/02)

FOR STATE USE ONLY  
ATTACHED TO CCN

### COMPLETED BY SHIPPER:

COMPANY NAME **Clean America Recycling**  
ADDRESS **1776 Constitution Ave.**  
**Patriot, CA 99966**  
CERT. # **CS 0001**  
CONTACT PERSON **Paul Revere**  
TELEPHONE NUMBER **(887)867-5309**

### RECEIVER INFORMATION

COMPANY NAME **International Processor**  
CERT. # **PR 0002**

MATERIAL TYPE **Glass**  
☐ AMENDMENT TO FSN

### RECYCLER PAYMENT REQUEST INFORMATION

|  | REDEMPTION WEIGHT<br>(LBS) | REFUND<br>(A) | PROCESSING PAYMENT<br>(B) | SUBTOTAL DUE<br>A+B |
|--|----------------------------|---------------|---------------------------|---------------------|
| FROM Receipts & Logs                             | .                          | .             | .                         | .                   |
| FROM Shipping Reports or<br>Consolidated Reports | .                          | .             | .                         | .                   |
| TOTAL  | <b>10,487.8</b>            | .             | .                         | .                   |

Receipt & Log Entries For

MM DD YY

Thru

MM DD YY

Number of Attachments  
or Consolidated Shipments

### COMPLETED BY RECEIVER

| Weight Ticket #                | Received Wt. (Lbs.)                                  | Refund Value (C)     | Processing Pymt. (D) | Subtotal Due (C+D) |
|--------------------------------|--|----------------------|----------------------|--------------------|
| <b>XXX2</b>                    | <b>20,000</b>  | <b>860.00</b>        | <b>612.70</b>        | <b>1,472.70</b>    |
| ADMINISTRATIVE FEE             |  |                      |                      | <b>6.45</b>        |
| Received Date: <b>07 10 04</b> | Completed by receiver only: <input type="checkbox"/> | % of Reduction Taken | TOTAL PAYMENT DUE    | <b>1,479.15</b>    |

### For Quality Glass Incentive Payment Program

(Curbside Collection Only)

For glass color sorted by the **shipper** indicate in the adjacent QGIP box "S".  
For glass color sorted by the **receiver** indicate in the adjacent QGIP box "R".

QGIP

% OF SHRINKAGE

Civil penalties of up to five thousand dollars (\$5,000.00) per day may be assessed for violation of the laws and regulations governing this report. In addition, the submission of false information with intent to defraud is a crime punishable by substantial fines, up to three years imprisonment, or both. Knowing this, I certify under penalty of perjury that the facts presented herein are true and correct to the best of my knowledge.

APPROVED FOR PAYMENT Shipper's Signature/Title

Receiver's Signature/Title

FOR STATE ONLY

Date

Date

For more information, visit our website at: [www.consrv.ca.gov](http://www.consrv.ca.gov)

RETURN TO: DEPARTMENT OF CONSERVATION